

TRANSPORTATION DEPARTMENT[761]

Adopted and Filed

Rule making related to foreign certificates of title

The Transportation Department hereby amends Chapter 400, “Vehicle Registration and Certificate of Title,” Iowa Administrative Code.

Legal Authority for Rule Making

This rule making is adopted under the authority provided in Iowa Code section 307.12.

State or Federal Law Implemented

This rule making implements, in whole or in part, Iowa Code section 321.23(3) as amended by 2022 Iowa Acts, House File 2341.

Purpose and Summary

This rule making updates Chapter 400 to conform the rules with 2022 Iowa Acts, House File 2341. This legislation created a new exception from the requirement that a holder of a foreign certificate of title with an Iowa nontransferable registration must first obtain an Iowa title before transferring the vehicle. Iowa Code section 321.23 requires that an owner who has registered a foreign vehicle in Iowa, but has a foreign certificate of title, cannot transfer the vehicle before applying for and receiving an Iowa certificate of title. The new exception will allow an owner to transfer the foreign certificate of title to an insurance carrier authorized to do business in Iowa if at the time of transfer the foreign certificate of title is held by a secured party and the insurance carrier has forwarded to the secured party the sum necessary to discharge the security interest. This same exception currently exists for motor vehicle dealers who have forwarded the funds to discharge the security interest in these situations. This amendment expands the exception to insurance carriers authorized to do business in Iowa as authorized in the legislation.

Public Comment and Changes to Rule Making

Notice of Intended Action for this rule making was published in the Iowa Administrative Bulletin on December 28, 2022, as **ARC 6770C**. No public comments were received.

Since publication of the Notice of Intended Action, 2022 Iowa Acts, House File 2341, has been codified. Therefore, a reference to this legislation has been removed from Item 1. Likewise, Item 2, which added a reference to this legislation but no other proposed amendments in the implementation sentence for rule 761—400.4(321), has been removed. No other changes from the Notice have been made.

Adoption of Rule Making

This rule making was adopted by the Department on February 14, 2023.

Fiscal Impact

This rule making has no fiscal impact to the State of Iowa beyond any impact anticipated by the legislation.

Jobs Impact

After analysis and review of this rule making, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rule making would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 761—Chapter 11.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rule making by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rule making at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rule making will become effective on April 12, 2023.

The following rule-making action is adopted:

Amend paragraph **400.4(3)“d”** as follows:

d. A person who registers a foreign vehicle under Iowa Code ~~subsection~~ section 321.23(3) shall be issued a nontransferable-nonnegotiable registration. To transfer ownership of the vehicle, the owner must first obtain an Iowa certificate of title except as follows: If ownership is transferred to an Iowa licensed motor vehicle dealer or an insurance carrier authorized to do business in Iowa as provided in Iowa Code ~~subsection~~ section 321.23(3), the foreign certificate of title may be assigned to the dealer or the insurance carrier; the owner is not required to obtain an Iowa title. The dealer may then reassign the foreign title, as provided in Iowa Code ~~subsection~~ section 321.48(2) and rule 761—400.27(321,322).

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